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IN THE

Supreme Court of the United States

OCTOBER TERM, 1980

VALTEK, INC. and ALPHA ENGINEERING CO., *Petitioners*, v. CONTROL COMPONENTS, INC. and RICHARD E. SELF, *Respondents.*	Petition for Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit

MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE And BRIEF ON BEHALF OF THE PATENT LAW ASSOCIATION OF CHICAGO, AMICUS CURIAE, IN SUPPORT OF PETITION

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MOTION ON BEHALF OF THE PATENT LAW ASSOCIATION OF CHICAGO FOR LEAVE TO FILE BRIEF AMICUS CURIAE IN SUPPORT OF PETITION

The Patent Law Association of Chicago ("PLAC") herewith moves this Court for leave to file the accompanying brief as amicus curiae. The consent of counsel for the petitioners VALTEK, INC. and ALPHA ENGINEERING CO. has been received, but counsel for the respondents CONTROL COMPONENTS, INC. and RICHARD E. SELF has refused to give consent.

The interest of the PLAC is set forth in the accompanying brief. In summary, the PLAC, without taking sides on the merits, seeks leave to file this brief to stress and emphasize the urgent need and importance of having this Court finally resolve, one way or the other, certain long-standing issues causing continued conflicts, confusion and inconsistencies in vital aspects of patent jurisprudence throughout the various Courts of Appeals. The issues inherently include the unresolved vital

issue of whether obviousness under 35 USC § 103 is a question of law or fact. This case presents an opportunity to provide the much-needed guidance of this Court.

Respectfully submitted,

THE PATENT LAW ASSOCIATION
OF CHICAGO

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BRIEF ON BEHALF OF THE PATENT LAW ASSOCIATION OF CHICAGO, AMICUS CURIAE, IN SUPPORT OF PETITION

INTEREST OF AMICUS CURIAE

The Patent Law Association of Chicago ("PLAC") was founded in 1884 and is one of the oldest and largest regional association of lawyers specializing in the practice of patent, trademark and copyright law. Its present membership is about 750, which is believed to constitute a large majority of the patent, trademark and copyright attorneys actively practicing in the Chicago-Milwaukee area.

One of the objects of the PLAC is:

> "To aid in the development of the patent, trademark and copyright laws, the administration thereof, and the procedure in connection therewith by the Patent Office, the Courts or other offices or tribunals charged therewith."

It is in keeping with this object that the PLAC appears herein as amicus curiae.

It is not the intention of the PLAC to take sides on the merits; and indeed it does not. Instead, the PLAC submits this brief in support of the petition to emphasize the urgent need for resolution, one way or the other, of certain vital issues raised or inherent in the petition which have long cried out for attention by this Court. These issues include whether in determining patentability, obviousness under 35 U.S.C. § 103 is a question of fact or law. As set forth herein, this issue is the subject of clear conflicts among the Circuits, the cause of major inconsistencies in patent jurisprudence throughout the country, and the source of one of the uncertainties stifling innovation and inhibiting the progress of science in this country. The time for resolution of the conflicts and controversies is long overdue.

FACT-LAW DICHOTOMY AS TO OBVIOUSNESS IS A MAJOR SOURCE OF LONG-STANDING INCONSISTENCIES IN PATENT JURISPRUDENCE

The question of obviousness or nonobviousness under 35 U.S.C. § 103 is present in the large majority of litigated patent cases. The issue of whether obviousness is a question of fact or law directly impacts upon the proper role of juries in patent cases, the role of the trial court in passing upon motions for directed verdict or judgment n.o.v. and the proper scope of appellate review thereof. With the growth in the number of patent cases being tried to juries, the continued confusion caused by the conflicts is becoming severely aggravated.

But the fact-law dichotomy as to obviousness transcends the importance of resolving it in jury cases. While the petition perforce presents the issue in the context of the problems associated with jury trials, a high percentage of both jury and non-jury cases reach the appellate level, where the proper application of Rule 52(a), F.R.Civ.P., comes into play, e.g., "... Findings of fact shall not be set aside unless clearly erroneous ...".[0] The failure to resolve the fact-law dichotomy as to obviousness among the circuits thus impacts upon both jury and non-jury patent cases across the board and has led to the aforementioned inconsistencies throughout the country.

INTERVENTION OF THE SUPREME COURT WOULD END TWENTY-EIGHT YEARS OF CONFUSION

It has been twenty-eight years since Congress enacted 35 U.S.C. § 103, and it has been fourteen years since the Supreme Court has provided some guidance interpreting the same in *Graham* v. *John Deere Co.,* 383 U.S. 1 (1966). The application of § 103 by the lower federal courts, however, especially in jury cases, has undercut the intent of Congress to produce "uniformity and definiteness" and a "stabilizing effect" whereby "great departures which have appeared in some cases" would be minimized.[1]

Instead, the patent profession has been confronted with continued controversy throughout the country as reflected in the conflicts among the various circuits and even among different panels at different times within the same circuit. These conflicts have resulted in confusion as to who finds the facts, what facts must be found, who applies the law, and the role of juries and appellate courts in patent cases.

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[0] Resolution of the fact-law dichotomy as to obviousness in a non-jury context is presently being urged upon this Court in Case No. 80-418, *United Business Communications, Inc.,* v. *Milgo Electronic Corporation,* 623 F. 2d 645 (10th Cir. 1980).

[1] H.R. No. 1923, 82nd Congress, 2nd Session, upon H.R. 7794 May 12, 1952, pp. 7, 18.

CLEAR CONFLICTS AMONG THE CIRCUITS

It Is A Question of Law

Certain of the circuits or panels have read *Graham* to mean that the conclusion of obviousness is itself a question of law since it is an integral part of the ultimate legal question of patent validity. Illustrative cases include *Dual Manufacturing & Engineering* v. *Burris Industries,* 619 F.2d 660 (7th Cir. 1980), *cert. denied,* ____ U.S. ____ (1980); *Nickola* v. *Peterson,* 580 F.2d 898 (6th Cir. 1978), *cert. denied,* 440 U.S. 961 (1979); *Robbins Co.* v. *Dresser Industries, Inc.,* 554 F.2d 1289 (5th Cir. 1977); *Pederson* v. *Stewart-Warner Corp.,* 536 F.2d 1179 (7th Cir. 1976), *cert. denied,* 429 U.S. 985 (1976); *Swofford* v. *B & W, Inc.,* 395 F.2d 362 (5th Cir. 1968), *cert. denied,* 393 U.S. 935 (1968); *Bentley* v. *Sunset House Distributing Corp.,* 359 F.2d 140 (9th Cir. 1966); *Layne-New York Co.* v. *Allied Asphalt Co.,* 501 F.2d 405 (3rd Cir. 1974), *cert. denied,* 421 U.S. 914 (1975); and *Kabushiki Kaisha Audio-Technica* v. *Atlantis Sound, Inc. et al.,* ____ F.2d ____, 498 PCTJ A-15 (4th Cir. 1980). Many other cases are in accord.

It Is Question of Fact

Still other circuits or panels hold that obviousness is a question of fact. Illustrative cases include *Tights, Inc.* v. *Stanley,* 441 F.2d 336 (4th Cir. 1971), *cert. denied,* 404 U.S. 852 (1971); *The Porter-Cable Machine Company et al.* v. *The Black and Decker Manufacturing Company,* 402 F.2d 517 (4th Cir. 1968), *cert. denied,* 393 U.S. 1063 (1969); *Moore* v. *Shultz,* 491 F.2d 294 (10th Cir. 1974), *cert. denied,* 419 U.S. 930 (1974); *Celebrity, Inc.* v. *A & B Instrument Co.,* 573 F.2d 11 (10th Cir. 1978), *cert. denied,* 439 U.S. 824 (1978); and *Norfin, Inc.* v. *Intern. Business Machines,* 625 F.2d 357 (10th Cir. 1980). Many other cases are in accord.

It Is A Mixed Question

Other panels have read *Graham* as treating obviousness as a mixed question of law and fact. Illustrative cases include

Tights, Inc. v. *Acme-McCrary Corp.*, 541 F.2d 1047 (4th Cir. 1976), *cert. denied,* 429 U.S. 980 (1976); and *Sperberg* v. *Goodyear Tire & Rubber Co.*, 519 F.2d 708 (6th Cir. 1975), *cert. denied,* 423 U.S. 987 (1975).

In *Spound* v. *Mohasco Industries, Inc.*, 534 F.2d 404 (1st Cir. 1976), *cert. denied,* 429 U.S. 886 (1976), the Court treated obviousness as an appropriate jury question, as if it were a question of fact, and yet held that the Court should not hesitate to set aside such finding in case of substantial doubt, as if it were a question of law. Similar ambivalent treatment of the question appears in *E.I. DuPont de Nemours & Co.* v. *Berkley & Co., Inc.*, 620 F.2d 1247 (8th Cir. 1980), and in many other cases.[2]

THE GROWTH OF JURY TRIALS OF PATENT CASES MAKES RESOLUTION OF EXISTING CONFLICTS IMPERATIVE

While the confusion and controversy has continued for over a quarter of a century, particularly since the handing down of *Graham,* the growth of jury trials of patent cases makes resolution of the conflicts even more imperative. As shown in Figure 1 of the petition herein, patent jury trials as a percent of all patent trials has doubled in the past five years as compared with the previous five-year period.

The lack of guidance by this Court has led to repeated plaints of parties that they have been denied a constitutional right by virtue of the confused handling of patent jury verdicts by both the trial courts and appellate courts. The time is ripe for resolution of the problem.

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[2] A comprehensive listing of cases further illustrating the conflicts and confusion among the circuits as of 1976 appears in the Journal of the Patent Office Society, i.e., 58 J.P.O.S. 695, n.201.

STABILITY AND CERTAINTY WOULD PROMOTE INNOVATION AND INVESTMENT

Under the circumstances, this Court should introduce stability by resolving the conflict among the circuits, one way or the other, so that those who are called upon to judge or to serve as jurors will have some uniform guidance as to the scope of their function with respect to a vital and fundamental aspect of patent law. As one experienced patent lawyer and law professor has observed, "The public interest in an evenhanded administration of the patent laws deserves a consistent application of the *Graham* v. *Deere* methodology." Schneider, "Non-Obviousness, The Supreme Court, and the Prospects for Stability," 60 J.P.O.S. 304, 317 (1978).

Of even greater importance, however, would be the beneficial impact of a clarifying court decision upon the innovator and investor. In this day and age of thrashing about seeking causes for this country's loss of technological leadership in the world, one cannot overlook the debilitating impact of uncertainty and instability upon those who create and those who provide the wherewithal and environment for cultivating and directing such creativity into scientific progress and national well-being. By granting the petition and removing the present uncertainty and instability, this court would be making a significant contribution to the patent system and to the constitutional mandate of promoting the progress of science and useful arts (Article 1, Section 8).

CONCLUSION

Accordingly, amicus PLAC urges this Court to grant the present petition and resolve the conflicts that have been plaguing the courts and the profession, resulting in major disparities in the administration of patent jurisprudence throughout the various circuits.

Respectfully submitted,

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